

BUSINESS MEETING
STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION AND
DEVELOPMENT COMMISSION

ENERGY COMMISSION
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1 PROCEEDINGS

2 CHAIRPERSON KEESE: I'll call the meeting of the
3 Energy Commission to order. Commissioner Rosenfeld, would
4 you lead us in the pledge, please.

5 (Thereupon the Pledge of Allegiance was
6 recited in unison.)

7 CHAIRPERSON KEESE: As our first item of
8 business, I would like to have a motion to accept the four
9 additional items that were posted.

10 COMMISSIONER MOORE: Mr. Chairman, I have three
11 additional items. I show 21, energy Conservation
12 Assistance Act Account, 22 --

13 CHAIRPERSON KEESE: You're correct.

14 COMMISSIONER MOORE: -- Grant Program Guidelines
15 and 23 Title 20 Appliance Regulations. I move to add
16 those to the regular agenda.

17 COMMISSIONER ROSENFELD: Second.

18 CHAIRPERSON KEESE: Motion and a second. All in
19 favor?

20 (Ayes.)

21 CHAIRPERSON KEESE: Opposed?

22 Adopted four to nothing that they will be added
23 to the agenda.

24 One personal privilege. Claudia? Is Claudia
25 here?

1 Claudia, would you come forward for a moment. I
2 don't think Claudia knows why she's here.

3 MS. CHANDLER: I'm suspicious then.

4 CHAIRPERSON KEESE: I have the privilege of
5 presenting an award to Claudia Barker, as I knew her,
6 Chandler for her valued and excellent service to the State
7 of California for 25 years.

8 (Applause.)

9 CHAIRPERSON KEESE: She began her career at the
10 Energy Commission in 1976, worked in energy systems,
11 worked in the fuels office, worked in the biomass office.
12 She's been an assistant executive director and manager of
13 media communications for more than 15 years. She's had
14 her hands full the last few years dealing with one issue
15 after another.

16 At the current time, the office handles 250 to
17 300 calls from reporters a week. She's gotten our web
18 site going. And I'd like to congratulate her for her 25
19 years of service.

20 Thank you, Claudia.

21 (Applause.)

22 CHAIRPERSON KEESE: Of course, we tried to figure
23 out why in the world she stayed at the Energy Commission
24 for 25 years.

25 And reason number 10.

1 (Laughter.)

2 MS. CHANDLER: Who wrote this guy's script?

3 (Laughter.)

4 CHAIRPERSON KEESE: She was so altruistic and
5 morally committed to carrying out the innovative energy
6 policies of Governor Brown, Deukmejian, Wilson and Davis.

7 (Laughter.)

8 COMMISSIONER PERNELL: Reason number 9, the
9 Energy Commission is within walking distance of Vallejo's.

10 (Laughter.)

11 CHAIRPERSON KEESE: Eight, the Woman's National
12 Basketball Association wasn't in existence.

13 (Laughter.)

14 CHAIRPERSON KEESE: Number 7, someone told her
15 bars were out and the Energy Commission was a swell place
16 to meet marriageable men.

17 (Laughter.)

18 CHAIRPERSON KEESE: And she did. But she went
19 beyond that and named her son CEC, Colin Edward Chandler.

20 (Laughter.)

21 CHAIRPERSON KEESE: Reason number 6, she figured
22 out that College graduates with Master's degrees in public
23 health should work with sick people.

24 (Laughter.)

25 CHAIRPERSON KEESE: Reason number 5, the walnut

1 industry is not all it's cracked up to be.

2 (Laughter.)

3 CHAIRPERSON KEESE: Besides, as the media person
4 she gets to use cool words like harbinger in a sentence.

5 (Laughter.)

6 CHAIRPERSON KEESE: Reason number 3, where else
7 can she have a student working for her who is twice her
8 age.

9 (Laughter.)

10 CHAIRPERSON KEESE: Number two, she gets all the
11 free calendars she needs.

12 (Laughter.)

13 CHAIRPERSON KEESE: And the main reason, the
14 California Energy Commission is a lot easier to say than
15 the California Integrated Waste Management Board.

16 (Laughter.)

17 (Applause.)

18 MS. CHANDLER: I didn't want to give up the mic
19 yet.

20 CHAIRPERSON KEESE: Well, you're not going to get
21 much of it.

22 (Laughter.)

23 CHAIRPERSON KEESE: Usually, we have jewelry or
24 something, but the pen is mightier than jewelry.

25 COMMISSIONER MOORE: Robert broke the pen and

1 misset the time.

2 (Laughter.)

3 CHAIRPERSON KEESE: Here is your pen and we
4 probably should have done this first, but this is a
5 certificate from Governor Gray Davis on your 25 years.

6 Thank you.

7 (Applause.)

8 MS. CHANDLER: Bob missed out.

9 CHAIRPERSON KEESE: Thank you, Claudia, for that
10 acceptance speech.

11 (Laughter.)

12 MS. CHANDLER: I'm walking back to the podium
13 right now.

14 COMMISSIONER MOORE: You don't give up the floor
15 once you get it.

16 MS. CHANDLER: That's right. This was a
17 surprise, so you're fortunate that I don't have a prepared
18 speech. It has been a great character building experience
19 to work at the Energy Commission for 25 years, which means
20 that I'll have to quit telling people I'm 35, because I
21 don't think anybody believes that we higher student
22 assistants at ten.

23 Actually, I started on January 17th, right,
24 Manuel. Manuel and I showed up on the same day for work.
25 Manuel since has bailed. I'm holding down the fort for

1 you, buddy.

2 I have had the pleasure of working with
3 terrifically wonderful people here in every office. I'm
4 here because I love this job and I love the people that
5 are here.

6 So thank you for the pleasure.

7 (Applause.)

8 CHAIRPERSON KEESE: Thank you, Claudia. Good
9 luck in the next 25 years.

10 (Laughter.)

11 CHAIRPERSON KEESE: Mr. O'Brien, would you come
12 up here for a second, before I get started.

13 Sorry for that.

14 Item one, Los Banos Voltage Support Facility.

15 MR. BARTRIDGE: Good Morning, Commissioners. I'm
16 Jim Bartridge, Project Manager on behalf of the Energy
17 Commission. With me today is Darcie Houck, staff
18 attorney.

19 On November 26th Cummins West filed an AFC
20 seeking approval to construct and operate the Los Banos
21 Voltage Support Facility on a 12-acre site near the city
22 of Los Banos within Merced County.

23 The Project is proposed to be an 80 megawatt
24 facility consisting of 44 self-contained diesel generator
25 sets proposed for peak operation during periods of

1 critical need.

2 The project would be fueled by low-sulfur diesel
3 and utilize both selective catalytic reduction and diesel
4 particulate filters to reduce emissions.

5 Water and gas supplies would not be required for
6 operation and no waste water would be generated during
7 operation as well. All waste would be disposed of during
8 routine generator maintenance.

9 Upon review, ten of 23 technical areas were found
10 data inadequate for the six-months process, and 12 of 23
11 areas were found data inadequate for the 12-month process.

12 Air quality, biological resources and
13 transmission system engineering are areas of significant
14 concern. Therefore, at this time, we recommend the
15 Commission find that the AFC is not adequate.

16 CHAIRPERSON KEESE: Thank you. We have a
17 recommendation of nonadequacy.

18 Applicant comment.

19 MR. FREDERICK: Yes, Jess Frederick with WZI here
20 representing the applicant, and with me is Paul Bleeker
21 from Cummins West as well.

22 We have proceeded in due haste to try and meet
23 all the criteria for data adequacy, and continue to do so.
24 We are presently corresponding with PG&E to try to
25 determine what optimal interconnect would be used at Los

1 Banos substation.

2 It's a very important element of north path 15,
3 and we feel that PG&E should have a lot of say in what we
4 propose, so we are working carefully with them.

5 To that extent, we will and we do anticipate
6 receiving the system impact study in February. We are
7 also resolving other issues that exist. As you know, we
8 try to run as fast as we can and get the package submitted
9 in a timely manner and respond as quickly as possible, and
10 would prefer that we proceed as if we were going to
11 achieve the necessary information sufficient to meet the
12 six-month criteria.

13 We feel that the facility is a critical element
14 and have proceeded at risk through the uncertain times
15 that we have had and will continue to do so. Cummins is
16 committed to the project.

17 CHAIRPERSON KEESE: Thank you. And staff, are
18 we -- do we see a date when we'll have this back in front
19 of us?

20 MR. BARTRIDGE: We're working with the applicant
21 now. It's yet to be determined.

22 CHAIRPERSON KEESE: Thank you.

23 Commissioner Moore.

24 COMMISSIONER MOORE: Mr. Chair, I move the
25 Executive Director's recommendation for data inadequacy.

1 COMMISSIONER ROSENFELD: Second.

2 CHAIRPERSON KEESE: Motion by Commissioner Moore
3 seconded by Commissioner Rosenfeld.

4 Any further comments?

5 All in favor?

6 (Aye.)

7 CHAIRPERSON KEESE: Opposed?

8 Four to nothing, thank you.

9 That puts Item 2 over.

10 Item 3, Palomar Energy, LLC. Commission's
11 consideration of the Executive Director's data adequacy
12 recommendation for Palomar.

13 MR. ELLER: Good morning, Commissioners. I'm Bob
14 Eller for Commission staff. I'm the project manager.

15 This morning we're looking at the Palomar Energy
16 Project filed on November 28th by the Palomar Energy LLC,
17 a subsidiary of Sempra.

18 The applicant proposes to construct and operate a
19 500-megawatt natural gas fired combined cycle electric
20 generation facility in San Diego County in the City of
21 Escondido. The facility will be located at a proposed
22 business park in the city. And the City of Escondido is
23 currently preparing an EIR on that business park.

24 Staff has reviewed the application and of the 23
25 technical areas, we believe information contained in the

1 AFC is deficient in 14 of those areas. We believe
2 additional information is required for air quality,
3 alternatives, biological resources, cultural resources,
4 land use, noise, reliability, socioeconomics, soil
5 resources, traffic and transportation, transmission system
6 engineering, visual resources, waste management and water
7 resources.

8 Staff recommends that the Commission adopt
9 staff's deficiencies.

10 CHAIRPERSON KEESE: Thank you.

11 Applicant.

12 MR. MILLER: Good morning, Commissioners. My
13 name is Taylor Miller. I'm an attorney with Sempra
14 Energy. I'd like to briefly introduce our team on the
15 project to you this morning.

16 To my right is Joe Rowley, Vice President of
17 Sempra Energy Resources and he's been shepherding the
18 project from its inception. Just behind us, Mr. Bob
19 Jackson, who will be the project manager for the project.

20 We will be working actively with staff to resolve
21 the adequacy issues. We plan to file an additional
22 package within the next two weeks. We're relatively
23 confident that we can work through the issues in short
24 order and be back before you for an adequacy
25 determination.

1 So with that, I'll just ask Mr. Rowley if he has
2 any remarks he wants to make this morning.

3 MR. ROWLEY: Glad to be here.

4 CHAIRPERSON KEESE: Thank you.

5 COMMISSIONER MOORE: Mr. Chairman, I just have
6 one question.

7 Taylor, can you tell me what the source of water
8 cooling is going to be?

9 MR. MILLER: The water will be reclaimed water
10 from the project. The project is located within a mile, I
11 believe, or less of what's called the Harf. It's a water
12 treatment facility of the City of Escondido.

13 MR. ROWLEY: Maybe I should say just a couple of
14 words. The objective of this project is really three or
15 four fold. Primarily, we wanted to place a generating
16 resource within the San Diego load pocket and do that in a
17 manner that would not require any significant linear
18 facilities.

19 So we've placed the project site immediately
20 adjacent to transmission facilities for interconnection,
21 and also immediately adjacent to existing gas pipelines.
22 And then along with that same objective, we were able to
23 secure a location that's very close to a large source of
24 reclaimed water, that the City of Escondido's facility
25 will produce about three times more reclaimed water than

1 what the project can use, so that the City is looking for
2 additional customers as well.

3 COMMISSIONER MOORE: Thank you.

4 CHAIRPERSON KEESE: Thank you.

5 Do I have a motion?

6 COMMISSIONER MOORE: Move the Executive
7 Director's recommendation.

8 COMMISSIONER PERNELL: Second.

9 CHAIRPERSON KEESE: Motion by Commissioner Moore,
10 seconded by Commissioner Pernell for data inadequacy.

11 All in favor?

12 (Ayes.)

13 CHAIRPERSON KEESE: Opposed?

14 Four to nothing.

15 We'll see you back.

16 CHAIRPERSON KEESE: Item 5, Tesla Power Project.
17 Commission Consideration of the Executive Director's Data
18 Adequacy Recommendations for the Tesla Power Project,
19 application for certification.

20 MR. CASWELL: Good morning, Commissioners. I'm
21 Jack Caswell, staff's project manager for the Tesla Power
22 Project and with me is Darcie Houck, staff counsel.

23 On October 12th Midway Power, LLC filed an
24 application for certification seeking approval from the
25 Energy Commission to construct and operate the Tesla Power

1 Project. The project, as proposed, would be an 1,120
2 megawatt natural gas fired combined cycle powerplant,
3 about a half mile north of the PG&E Tesla substation in
4 Alameda County.

5 November 14th, at the business meeting, the
6 Commissioners deemed the Tesla Project application
7 inadequate for both the six and 12-month process.

8 The applicant initially had requested a six-month
9 review of this project. And, of course, they must meet
10 the criteria for both the 12 and 6 in order to do this.

11 They continue to be inadequate in the six-month
12 process, but adequate for the 12-month process. And those
13 inadequacies are air, bio, land and water issues. We have
14 discussed this with the applicant, and they indicated to
15 me that they would like to proceed on the 12-month
16 process. And so, at this time, staff is requesting that
17 you approve the adequacy for this project.

18 CHAIRPERSON KEESE: Thank you. We have a
19 recommendation for data adequacy. Do we have any --

20 COMMISSIONER MOORE: I have one question about
21 the plant itself. And perhaps I can direct this to
22 counsel, and ask you is this plant situated in such a
23 manner that it can make power available then north and
24 south of Tesla? In other words, it's going to provide the
25 potential for grid relief as it were?

1 MR. BUSA: This is Scott Busa. I'm the project
2 manager. I work for FPL Energy for Midway Power. The
3 interconnection with the Tesla substation actually allows
4 power to flow to various markets of the bay area San
5 Joaquin valley and areas back up towards the Sacramento
6 valley also.

7 COMMISSIONER MOORE: Thanks.

8 Mr. Chairman, I'm prepared to move the Executive
9 Director's recommendation of data adequacy on this
10 project.

11 CHAIRPERSON KEESE: Motion on data adequacy by
12 Commissioner Moore.

13 COMMISSIONER PERNELL: Second.

14 CHAIRPERSON KEESE: Second by Commissioner
15 Pernell.

16 Any other comments?

17 CHAIRPERSON KEESE: I'll give you a chance.

18 All in favor?

19 (Ayes.)

20 CHAIRPERSON KEESE: Opposed?

21 Adopted four to nothing.

22 MR. GALATI: We would like to -- excuse me, Scott
23 Galati on behalf of Midway Power. We would like to thank
24 staff for expeditiously reviewing the information and then
25 working with us closely to become data adequate. And

1 specifically I'd like to recognize Jack Caswell for
2 facilitating that communication.

3 Thank you.

4 CHAIRPERSON KEESE: Thank you.

5 We have looked at the powerplant siting cases,
6 and we have one member of the Commission that is not
7 present today. I would entertain a motion that
8 Commissioner Laurie be the lead --

9 (Laughter.)

10 CHAIRPERSON KEESE: -- and that Commissioner
11 Moore be the second on the Tesla Powerplant. Do I have
12 such a motion?

13 COMMISSIONER PERNELL: Mr. Chairman, I would so
14 move.

15 COMMISSIONER ROSENFELD: Second.

16 CHAIRPERSON KEESE: Moved by Commissioner Pernell
17 and seconded by Commissioner Rosenfeld with enthusiasm.

18 (Laughter.)

19 CHAIRPERSON KEESE: All in favor?

20 (Ayes.)

21 CHAIRPERSON KEESE: Opposed?

22 Four to nothing.

23 Mr. Tomashefsky, would you let Commissioner
24 Laurie know.

25 (Laughter)

1 CHAIRPERSON KEESE: Item 7 is Central Valley
2 Energy Center Project. Commission consideration of the
3 Executive Director's data adequacy recommendation for the
4 Central Valley Energy Center Project.

5 MR. TRASK: Good morning, Commissioners. I'm
6 Matt Trask, project manager for the project manager for
7 the Central Valley Energy Center Project. With me today
8 is Paul Kramer, staff attorney, on the case.

9 As was proposed by the project applicant,
10 Calpine, the CVC would be a nominal 1,060 megawatt
11 combined cycle natural gas fired generating facility
12 located in the town of San Joaquin in Fresno County.

13 The project would include about 1,500 feet of new
14 transmission line, about 20 miles of new natural gas
15 pipeline, and about 21 miles of new pipeline for the
16 project's reclaimed water supply.

17 Calpine submitted the AFC on October 31st, 2001.
18 And acting on staff's recommendation, the Commissioner
19 founded the December 5th business meeting that the
20 application was data inadequate.

21 Since then, Calpine has submitted supplemental
22 materials to its AFC, and the staff's review of these
23 materials shows that the AFC now meets all the
24 informational requirements of both the six-month and
25 12-month processes.

1 Therefore, the staff recommends the Energy
2 Commission find the Central Valley Energy Center AFC
3 adequate and assign a Committee to the proceeding.

4 CHAIRPERSON KEESE: Thank you. We have a
5 recommendation for adequacy.

6 COMMISSIONER PERNELL: Mr. Chairman.

7 CHAIRPERSON KEESE: Commissioner Pernell.

8 COMMISSIONER PERNELL: I would move the Executive
9 Director's recommendation for adequacy for the Central
10 Valley Energy Center Project.

11 COMMISSIONER MOORE: Second.

12 CHAIRPERSON KEESE: Motion by Commission Pernell
13 second by Commissioner Moore.

14 Do we have any questions here on this?

15 Any comment from the audience?

16 All in favor?

17 (Ayes.)

18 CHAIRPERSON KEESE: Opposed?

19 Adopted four to nothing.

20 MR. HARRIS: I was going to wait for the vote
21 first. I want to thank the staff and actually in the
22 interests of time just turn it quickly to Mike Argentine,
23 the Project Manager.

24 MR. ARGENTINE: Yeah, I wanted to thank the staff
25 also, specifically Matt Trask and all of the people that

1 worked with them to get us to data adequacy, because I
2 know they put in many, many hours for this project.

3 We feel it's a very important project for the
4 Fresno area. It's 1,060 megawatts just like Matt
5 mentioned. It provides certain electrical benefits that
6 are needed in that area since it's already devoid of about
7 1,000 megawatts right now. So we appreciate the
8 opportunity to continue to work with the staff on the
9 project.

10 Thank you.

11 CHAIRPERSON KEESE: Thank you.

12 Item 9, -- I'm sorry Item 8, Central Valley
13 Energy Center Project, approval of a Committee.

14 I'll entertain a motion that Commissioner
15 Rosenfeld be lead and Commissioner Laurie be second.

16 COMMISSIONER PERNELL: Mr. Chairman, I would so
17 move.

18 COMMISSIONER MOORE: Second.

19 CHAIRPERSON KEESE: Motion by Commissioner
20 Pernell seconded by Commission Moore.

21 All in favor?

22 (Ayes.)

23 CHAIRPERSON KEESE: Opposed?

24 Adopted four to nothing.

25 MR. HARRIS: Thank you.

1 CHAIRPERSON KEESE: Item 9, Title 20, Data
2 Collection Regulations. Possible adoption of Express
3 Terms, 15-day language, for the Commission's regulations
4 pertaining to data collection and disclosure of Commission
5 records.

6 COMMISSIONER MOORE: Mr. Chairman, just as a very
7 brief introduction to this, before staff outlines some of
8 the terms, let me just say this comes to you at the end of
9 a very, very long process, which is almost six years long,
10 when you look at it.

11 And I can only say that I very much appreciate
12 the position of people like Dennis Roth who used to
13 shuttle between here and Israel back and forth trying to
14 hammer out different kinds of agreements where the
15 wording, the subwording of one sentence made all the
16 difference in the world, and trying to iron those out.
17 And trying to find agreement that still satisfied all of
18 the Energy Commission's concerns has been a challenge at
19 best.

20 And I am very happy that we are bringing this to
21 a close and that we can go on and try and get the
22 information that we need. Let me just say that it is my
23 belief, I have iterated this before, and I just want to
24 underline it, it is my belief that in these regulations
25 and in the compliance with them and the development of

1 information based on this data, lies the future of this
2 Commission.

3 And we will, I believe, be more successful than
4 we have been in the past because of the kind of
5 information that is represented here, and our ability with
6 the very, very competent staff that we have to make use of
7 it.

8 I think that this is a chance to forge some
9 stronger new relationships with the industry that we
10 regulate and to make them a part of the process in such a
11 way that they'll be able to use the data as well as we
12 will. They'll be able to use the information as well as
13 we will, and frankly that our principal clients, the
14 Legislature, the Executive Office and the industry at
15 large will be better off by a consistent thread of this
16 data coming in in the future.

17 We've had some stumbles getting started, and I
18 think we're passed that. It's going to be a transition
19 period where you, sitting at this dais, are not going to
20 have the results of this for a couple of years. There
21 will be lags before the information is processed in a
22 volume high enough to allow intelligent manipulation of it
23 and the generation of reports.

24 But once it starts, then it should go on forever,
25 at least as long as this Commission is in existence. I

1 believe that it will provide the basis for very sound and
2 very solid public decision making.

3 Mr. Chairman, I know Andrea is here and can
4 outline the highlights of the 15-day language, and there
5 are probably some of the stakeholders who participated so
6 ably in this process who'd like to speak as well.

7 MS. GOUGH: Hi. I'm Andrea Gough with the
8 California Energy Commission staff. On December 4th, we
9 had released a version of 15-day language covering the
10 regulations. And at the last business meeting on December
11 19th, we heard comments plus there were written comments
12 that raised four issues.

13 The issues covered load metering report due
14 dates. There was an issue request about request for
15 information. And a couple of you told me, you brought up
16 the issue about we had reinstated some of the resource
17 planning and demand forecast possibilities by utilities,
18 and then an issue of a definition of electric utilities.

19 Since that time on December 24th the Electric and
20 Natural Gas Committee reissued a revised 15-day language
21 that actually addressed those issues. And we received one
22 set of written comments since that time from IEP that
23 they're still concerned about the definition of electric
24 utility, but go along with the Electric and Natural Gas
25 Committee's recommendation to go ahead and adopt this

1 language today.

2 CHAIRPERSON KEESE: Thank you.

3 Any questions here?

4 COMMISSIONER MOORE: Mr. Chairman, can I just add
5 one thing. One of the threads that has made this a
6 difficult process all along is the question of
7 confidentiality and our ability to protect this data.
8 This is an issue in our relationships with EIA and at the
9 Department of Energy as well. And I just want to
10 emphasize before we even begin to hear from some of the
11 other parties that we are committed to and I believe have
12 gone to the lengths that are necessary to absolutely
13 protect this data and make it confidential.

14 I just noted that we've had a request on that
15 basis to protect some of the data. We intend to honor it
16 coming in. And that is our signal that we're committed to
17 the process that I believe has been not penetrated at all
18 in any of the time that it's been in existence. And so
19 the Committee, and hopefully this Commission will
20 reiterate its support for the strongest confidentiality
21 regulations that exist in the U.S. today. And we consider
22 ourselves bound by those.

23 CHAIRPERSON KEESE: Thank you.

24 Mr. Alvarez.

25 MR. ALVAREZ: I'll be brief. Manuel Alvarez,

1 Southern California Edison. I'm just getting over a cold,
2 so bear with me.

3 I'm here today basically to support the proposal
4 that's before you, and ask for your consideration.

5 There is one other thing I'd like to ask is that
6 as we've gone through this process, it's probably time for
7 us to consider kind of ending this particular segment of
8 the data collection, and if we're going to kind of revisit
9 other issues as this industry evolves and as this market
10 stabilizes, at that time reopen another proceeding to look
11 at data collection and data process.

12 So I'm here to support these regulations.

13 Thank you.

14 CHAIRPERSON KEESE: Thank you.

15 COMMISSIONER PERNELL: Thank you.

16 CHAIRPERSON KEESE: Ms. Fleming.

17 MS. FLEMING: Good morning, Commissioners. I'm
18 Pat Fleming representing this morning San Diego Gas and
19 Electric and Southern California Gas. I think I want to
20 echo much of what Mr. Alvarez said.

21 We do, in deed, appreciate that the Commission
22 has accepted many of our comments on these regulations,
23 specifically regarding Section 1344(c), the load metering
24 hourly load estimates by customer sector. We appreciate
25 the fact that that report due date has been changed to

1 September 1 instead of June.

2 Regarding Sections 1345, 1347 and 1348, these are
3 the sections on the demand, forecast, resource plans and
4 financial information. We agree that future workshops and
5 hearings should be held to address these issues,
6 especially in view of the restructured industry, and we
7 still seem to be going through some iterations.

8 In fact, I would agree with Mr. Alvarez that
9 perhaps we should just close this docket and open a new
10 docket to address the future discussions.

11 And we might also consider Section 1351 regarding
12 the Executive Director's ability to request information.
13 That might be another item to discuss in future workshops
14 and hearings.

15 But otherwise, we're here to support the changes
16 and we appreciate the staff's willingness to discuss these
17 matters with us in the last few weeks, especially Andrea
18 Gough she's been most helpful.

19 Thank you.

20 CHAIRPERSON KEESE: Thank you, Pam.

21 Mr. Kelly.

22 MR. KELLY: Steven Kelly with the Independent
23 Energy Producers. And I, too, would recommend that the
24 Commission move forward and approve this revised language.

25 I would also reiterate that it seems like we

1 started this proceeding before I started getting gray hair
2 and now I've got a lot of it. It's been a long
3 proceeding. It's probably timely to close this down, so
4 that we can move on to some of the other bigger issues.
5 And I would particularly like to applaud the staff and
6 Commissioner Moore on dealing with this issue.

7 It's a very complicated and delicate issue, and I
8 thought they managed this very well in order to bring all
9 the parties together. And this may be my only
10 opportunity, so I'll take it now. I know Commissioner
11 Moore is moving on to other things, so I would like to
12 also personally, on behalf of my association and members,
13 to thank him for his leadership in a number of issues that
14 were very complicated, the renewable stuff, this data
15 collection stuff where we generated some very innovative
16 solutions to very complex problems that we've seen in the
17 past have been successful in implementation.

18 So I want to thank him for that and applaud his
19 work in that and look forward to moving forward beyond
20 this issue as well.

21 So thank you very much.

22 CHAIRPERSON KEESE: Thank you, Mr. Kelly. And
23 Speaking for the three commissioners who didn't have to
24 deal with this issue, we're very thankful that
25 Commissioner Moore did and was skillful in doing this.

1 (Laughter.)

2 CHAIRPERSON KEESE: It would be my assumption,
3 Commissioner Moore, that having heard from all the parties
4 this seems to be an appropriate time to close these
5 proceedings.

6 COMMISSIONER MOORE: If that's the end of the
7 public comment, Mr. Chairman, I have a motion. But before
8 I have a motion, I'd like to ask General Counsel if he can
9 guide me on this.

10 Counselor, it was my intention to recommend that
11 we close this rule-making at the end of this. And I'm not
12 sure what formal procedure needs to be initiated. Should
13 a letter come from the Committee to the full Commission
14 indicating that our business is done on this docket and
15 close it up or can I incorporate that as a part of this
16 motion today?

17 CHAIRPERSON KEESE: Let me add an addenda to that
18 or do we hold something open until administrative -- we've
19 approved or something like that.

20 COMMISSIONER MOORE: Right.

21 CHAIRPERSON KEESE: Is there an appropriate date?

22 CHIEF COUNSEL CHAMBERLAIN: Yeah. I think you
23 would want to maintain it open until OAL has acted on the
24 rule-making, but other wise either of those options would
25 be fine for that.

1 CHAIRPERSON KEESE: Do you want to incorporate
2 that in there?

3 COMMISSIONER MOORE: Mr. Chairman, I'm going to
4 ask you to -- I'm going to make a motion to approve this
5 item. And in making that motion, let me say that it is my
6 intention that the Commission would, at the successful
7 implementation of this 15-day language, close this docket,
8 and that a successive committee be empowered to take up
9 the potential, probably through an OII of some kind, later
10 in the year.

11 And I mean later in the year, because there needs
12 to be some passage of time to let this data come in. And
13 let me just say that we've had a fair amount of debate
14 back and forth with the major utilities trying to make
15 sure that we get, for instance, load research data. It is
16 beginning to come in. I very much appreciate the
17 cooperation that we've had. And I have to say the
18 representatives who so faithfully attend here from the
19 utilities have done yeoman work in trying to make sure
20 that they get their appropriate administrations to oversee
21 and approve the release of the data, which also implies a
22 cost. I'm not unaware of that. And so it's very much
23 appreciated and so it's happening.

24 And what I want to say is we need some time to
25 digest it. We need some time to get it back in, and

1 appreciate the value of the data that's coming in, any
2 gaps that might be there. So I'm going to recommend, and
3 this task will probably fall to my colleague, Dr.
4 Rosenfeld. And I will simply say and know that he's going
5 to have this in the back of his mind to deal with.

6 And sometime late in '02 will probably be a good
7 time to convene a workshop, first, and say how's it going?
8 Is the data coming in, are we being able to use it? Is it
9 accurate? And, at that point, it will probably become
10 clearer what the topics of an OII ought to be. And I
11 would hope that the Committee would open a new docket, at
12 that point, and that it will be probably a much friendlier
13 place than the last time around.

14 I imagine it's going to be a much narrower place,
15 and so I don't think the Commissioners who are assigned to
16 that task are going to have quite the difficulties that we
17 did over the last few years.

18 So with that, one other topic on the workshops,
19 and that is clearly the 1351 Section, which is embodied in
20 the title of Executive Director having the ability to
21 request data is a tense one, and it in turn is tied to
22 what kind of data do you want, what do you want to do with
23 it.

24 I think that that workshop that I've mentioned is
25 a good forum using that Title, the 1351 Title, to debate

1 this issue, and imagine what do we still need and how can
2 we cooperatively go out and get it. That ought to be the
3 by-word, and I think that it will be apparent to the
4 industry, at that point, given the flow of data that will
5 have come in by then, that cooperation is going to have
6 benefits for everyone.

7 So with that, Mr. Chairman, you have a motion on
8 the floor.

9 CHAIRPERSON KEESE: Thank you for your comments.
10 Do I --

11 COMMISSIONER PERNELL: Second.

12 CHAIRPERSON KEESE: Let me make sure that we all
13 understand the motion. The motion is to adopt, and the
14 motion is to terminate the proceedings upon approval?

15 COMMISSIONER MOORE: By OAL.

16 CHAIRPERSON KEESE: By the Office of
17 Administrative Law?

18 COMMISSIONER MOORE: Right. And I would expect
19 that this will probably come to you through the
20 administrative officer. Following that, the staff will
21 inform him that OAL has taken the action. And I'll ask
22 the Executive Officer to submit to you a request to
23 terminate this docket, and say God Speed and close it up.

24 CHAIRPERSON KEESE: We will take another vote and
25 terminate it.

1 COMMISSIONER MOORE: Yes, there will be another
2 vote. It has to terminate the docket.

3 CHAIRPERSON KEESE: This is a motion to adopt
4 then, that's what will be -- we'll leave the other part
5 out.

6 COMMISSIONER MOORE: Then this vote, Mr.
7 Chamberlain, can I do that, then this vote will constitute
8 the intention to close the docket.

9 GENERAL COUNSEL CHAMBERLAIN: I think you can do
10 that today.

11 COMMISSIONER MOORE: Let me amend my language,
12 Mr. Chairman, and simply say it is my intention that this
13 motion will terminate this docket as well at the
14 successful culmination of the OAL actions.

15 CHAIRPERSON KEESE: Okay.

16 I'm sure you'll figure that out. We have a
17 motion in front of us very clearly defined. We have a
18 second by Commissioner Pernell.

19 All in favor?

20 (Ayes.)

21 CHAIRPERSON KEESE: Opposed?

22 Adopted four to nothing.

23 COMMISSIONER MOORE: Thank you very much.

24 CHAIRPERSON KEESE: Item 10, Alliance to Save
25 Energy. Possible approval of Contract 400-01-025 for

1 \$30,000 to fund a Green Schools Local Project Leader in
2 the Sacramento area.

3 COMMISSIONER PERNELL: Mr. Chairman, as you know,
4 we have been working with school districts throughout the
5 State on efficiency in their facilities. And this is just
6 another example of that. However, I'll have Elizabeth
7 brief the Board on the item.

8 MS. SHIRAKH: Thank you. My name is Elizabeth
9 Shirakh. And today for your consideration, I have a
10 proposed contract for \$30,000 with the Alliance to Save
11 Energy to help fund a Green Schools project in four
12 Sacramento school districts.

13 This contract will provide a local project leader
14 position to be funded over 12 months to support the Green
15 Schools project in Sacramento.

16 This \$30,000 contract is funded by the U.S.
17 Department of Energy's 2001 Rebuild AMERICA Special
18 Projects grant. Last year the Energy Commission was
19 awarded a \$200,000 Rebuild America grant. This successful
20 grant proposal specifically identified the activities to
21 be performed by this contract and will also identify the
22 federal funding.

23 The State Consumer Services Agency through its
24 classroom outreach program is providing \$500,000 to
25 establish a Green Schools program in three regions of

1 California. The Sacramento area, Los Angeles county and
2 the San Francisco bay area.

3 This contract will leverage this funding and
4 provide the local project leader to work with teachers,
5 schools and students in Sacramento. The goal of Green
6 Schools Sacramento program is two fold.

7 One, to reduce energy costs in school, and second
8 to educate students and their families about energy and
9 the link between energy efficiency, the environment and
10 finances.

11 The Green Schools will be working with four local
12 districts Sacramento City, Folsom-Cordova, San Juan and
13 Elk Grove Unified School Districts. Each of these four
14 districts is currently participating in the resource
15 conservation manager program funded through the Sacramento
16 Municipal Utility District and supported by the California
17 Energy Commission through its DOE Rebuild America grant.

18 The Green Schools programs helps promote energy
19 efficiency through building retrofits, changes in
20 operation and maintenance routines and changes in behavior
21 of building users. Students are actively involved in the
22 efficiency activities from energy patrols to in-depth
23 school audits.

24 Classroom activities include instruction, energy
25 saving activities and involvement from others of the

1 school and broader community.

2 The Green Schools instructional materials are
3 linked to the California Department of Education standards
4 of learning and science so they'll be easy for teachers to
5 use in order to strengthen student academic learning.

6 This unique program allows students, teachers
7 custodians, administrators and the community partners to
8 all work together for a common goal to save energy and
9 money.

10 This item was heard at the Efficiency Committee
11 on December 4th and this concludes my presentation. I'd
12 be happy to answer any questions.

13 CHAIRPERSON KEESE: Thank you very much. I'm
14 going to point out at this time having noticed what this
15 item is that I am going to recuse myself on this issue.
16 It's probably not a necessary action, but I happen to be
17 on the Board of Directors of the Alliance to Save Energy,
18 which is a nonprofit organization.

19 I was not aware of this issue until you brought
20 it up. I have not participated in this. I will recuse
21 myself from acting on this.

22 COMMISSIONER PERNELL: Mr. Chairman.

23 CHAIRPERSON KEESE: Commissioner Pernell.

24 COMMISSIONER PERNELL: Mr. Chairman, it actually
25 gives me great pleasure to move this item, given the

1 leverage of funds from, you know, \$30,000 to \$500,000 on
2 the other side. So I would move staff recommendations to
3 approve a contract with the Alliance to Save Energy.

4 CHAIRPERSON KEESE: We have a motion by
5 Commissioner Pernell.

6 COMMISSIONER ROSENFELD: Second.

7 CHAIRPERSON KEESE: Second by Commission
8 Rosenfeld.

9 Any other comments?

10 Any public comment?

11 All in favor?

12 (Ayes.)

13 CHAIRPERSON KEESE: Opposed?

14 Adopted three to nothing, and I'm abstaining.

15 MS. SHIRAKH: Thank you.

16 COMMISSIONER PERNELL: Thank you.

17 CHAIRPERSON KEESE: Thank you, Elizabeth. That
18 item has passed.

19 Item 11, we have Committee Recommendations.
20 Possible consideration of the Electricity and Natural Gas
21 Committee's recommendations regarding the petition by
22 Calpine Siskiyou Geothermal Partners and California Energy
23 General Corporation to extend the funding awards for the
24 Fourmile Hill and Telephone Flat geothermal projects
25 pursuant to PUC Code 383.5(c) (2) (B) the Renewables

1 Guidelines and notice of auction 500-97-506.

2 COMMISSIONER MOORE: Mr. Chairman.

3 CHAIRPERSON KEESE: Just one moment. I do not
4 have an indications that there's anybody in the audience
5 who cares to speak to this. I do have an indication that
6 we have two speakers by telephone who would like to speak
7 to this issue.

8 Commissioner Moore.

9 COMMISSIONER MOORE: Thank you, Mr. Chairman.
10 This is another one of those items that has proved to be
11 somewhat controversial and which we've taken great care to
12 try and understand all sides of the story.

13 Basically, what I would like to do in the way of
14 introducing this is to say that this award consideration
15 or the extension of the award consideration falls within
16 the jurisdiction of the Commission under our existing
17 renewable guidelines of which you have had many
18 opportunities to vote on changes as well as approvals for
19 different projects in the last four years.

20 Mr. Masri will outline some of the history of the
21 project itself. But suffice it to say that changing
22 market conditions and the change in ownership have made
23 this project more complicated than it might have been at
24 its inception, and also have made it, over the course of
25 time, more vulnerable to public scrutiny and to public

1 concerns in the area so that people are perhaps more aware
2 of it than they might have been of other projects.

3 And as a consequence, we've availed ourselves of
4 the rules and the guidelines which allow us to take public
5 comment, in this case extensive public comment, to try and
6 make sure that the public is involved at every step of the
7 process.

8 And, of course, to remind the Commission that if
9 the Committee recommendation is adopted, money from the
10 accounts does not flow to any project for which we have
11 made an award, until a project is actually built and
12 begins to generate electricity.

13 So I need to make sure that the public at large
14 understands that this program is provisional. It relies
15 on performance before public money is utilized. We, in
16 turn, rely on local government for the approval, the
17 actual construction approvals, and to the federal
18 government for permission to use and build on public
19 lands.

20 So we don't enter those decisions. What we do is
21 to enter the decision at the realm of determining whether
22 this project meets the guidelines, is appropriate for the
23 renewable energy world, and, in fact, can meet the
24 milestones that are set up to try and make sure that
25 projects actually get built in a timely manner.

1 And with your indulgence, I'd like to ask Mr.
2 Masri to outline the project itself. And I know that
3 there are a couple of people who spoke to us already at
4 one of the workshops that we have -- I'm sorry, at the
5 hearing that we conducted, and would probably like to
6 offer their comments on the Committee recommendation.

7 CHAIRPERSON KEESE: Mr. Masri.

8 MR. MASRI: Thank you, Commissioner Moore. My
9 name is Marwan Masri of the California Energy Commission.
10 I will be very brief about what this proceeding really is
11 about, as far as details about the project themselves.
12 And the Calpine representatives are here, and maybe they
13 can add to that. This is a very focused proceeding.

14 These two projects are winners of our first
15 auction that was conducted in 1998 for this Renewables
16 Program. And projects winning awards, conditional awards,
17 in that auction, conditional meaning they have come on
18 line before they actually receive money, had come on line
19 by of the end of 2001 or the beginning of 2002.

20 Otherwise, the awards -- the condition could
21 reduce or terminate the awards for these projects.
22 Subsequent to that, AB 995 and SB 1194 included language
23 that allowed the Commission the option if it finds that
24 there were circumstances beyond the developer's control to
25 extend the on-line day, provided that it does not go

1 beyond January 1st, 2007.

2 So what's before you here today is a very focused
3 action. First, the Committee held the hearing to
4 determine whether, in fact, there were circumstances
5 beyond the control of the developer of these two projects
6 to prevent them from coming on line by a week ago or so.

7 And second, how long should the extension be
8 between now and 2007.

9 And third, should the award for these projects be
10 reduced or remain in tact. The Committee held the hearing
11 on December 7th to hear from parties on both sides of the
12 issue, and considered very carefully the record developed
13 in that hearing and the testimony submitted. And it is
14 recommending to you today, based on that, that first the
15 Committee finds that, in fact, there are -- there have
16 been circumstances beyond the control of the developer
17 that prevent them from coming on line before the end of
18 2001, and that that is really incontrovertible. There is
19 no controversy about that one issue.

20 And second, that the extension of the deadline
21 for coming on line be extended by 41 months, I believe, to
22 June 1st, 2005. And prior to that, however -- this is a
23 balancing act. We want these projects to come on line to
24 contribute to the California energy supply in a clean
25 manner. These are renewable projects, and at the same

1 time, we don't want to tie up the funds for too long in
2 case other projects could use that money to move forward.

3 And so in balancing those actually, what the
4 Committee is recommending is the applicant here must
5 demonstrate that they have resolved all issues, data or
6 otherwise, associated with these projects by June 2003,
7 and begin construction on that date and come on line by
8 June 2005.

9 And if those concerns are fulfilled, then the
10 award, which is like any other projects with these
11 auctions, it's really for the first five years of the
12 generation, they would get paid the incentive they bid in
13 the auction.

14 So in summary, the Committee is recommending that
15 you find that there were circumstance beyond the control
16 of the developer and that the extension be done to 2005
17 and June 2003 milestone by which they must resolve all the
18 issues and that the award be extended as is without
19 reducing it.

20 So that's the summary of what the article is
21 before you.

22 I'd be happy to answer any questions.

23 CHAIRPERSON KEESE: Thank you for a very clear
24 explanation. We have Calpine here, and I also have Peggy
25 Risch who is on the phone from Calpine, I believe. Did

1 you wish to make any comments at this time?

2 MS. HAUG: Yes. Lynn Haug representing Calpine
3 and with me is Jack Pigott the project manager from
4 Calpine.

5 We'll be very brief. We appreciate the
6 Committee's effort to identify the proper scope of this
7 proceeding, and it has again been articulated. This
8 morning Calpine has asked under section 383.5(c) (2) (B) of
9 the Public Utilities Code that this Commission find that
10 the Fourmile Hill Telephone Flat geothermal projects were
11 unable to come on line by January 1st, 2002 due to
12 circumstances beyond the control of the developers.

13 We support the Committee decisions findings and
14 we feel that there's no serious dispute that the projects
15 have been delayed as a result of administrative actions
16 that were beyond Calpine's control.

17 With the minor change in dates that was
18 recommended in our comments on the Committee's
19 recommendation, we believe that the construction and
20 operational deadlines recommended by the Committee are
21 reasonable. In Calpine's comments, we did suggest a minor
22 change to the proposed decision for the purpose of
23 assisting in the sequencing of construction activities at
24 the two sites, which will better enable Calpine to
25 minimize the impacts in the area and to act efficiently in

1 planing the construction.

2 Finally, we've reviewed the comments filed by
3 interested parties in the response to the Committee's
4 decision. The comments for the most part raised issues
5 that were raised at the hearing itself. Those issues are
6 beyond the scope of this proceeding. They address the
7 underlying environmental issues that have been litigated
8 in other forums.

9 And so with that, we would say once again that we
10 appreciate the Committee's recommendation and support the
11 minor change we've recommended.

12 CHAIRPERSON KEESE: Thank you.

13 Is Ms. Risch then standing by or does she wish --

14 MS. HAUG: She's not with Calpine.

15 CHAIRPERSON KEESE: I'm sorry.

16 COMMISSIONER MOORE: She's a local resident.

17 CHAIRPERSON KEESE: My notes are incorrect. We
18 will then go to Michelle Berdishevsky of the Native
19 Coalition.

20 Ms. Berdishevsky.

21 MS. BERDISCHEVSKY: Hello, can you hear me?

22 CHAIRPERSON KEESE: Yes, we can.

23 MS. BERDISCHEVSKY: Oh, good. May I begin?

24 CHAIRPERSON KEESE: Yes, you may.

25 MS. BERDISCHEVSKY: Well, I want to thank you for

1 this opportunity to present the serious concerns of the
2 Native Coalition for Lake Highlands Defense. The
3 Coalition is a coalition in the area of the project and
4 represents the Pit River Tribe and cultural and spiritual
5 leaders in other tribes as well, including the Shasta
6 Tribe, Modoc Tribe, Winter Tribe.

7 And I want to point out to the Commissioners that
8 the Committee in its recommendations, has failed to
9 consider the Native Coalition's comments that were made at
10 the previous hearing, and basically described these as
11 irrelevant, which was quite insulting, especially since
12 some of the points the Native Coalition made were the
13 same -- similar, I should say, in substance as points made
14 by one of the environmental groups.

15 And so we feel that this is a prejudicial
16 determination by the Committee to disregard Native
17 American input in this case.

18 So the Commissioners should be aware that the
19 Native American comments are not included in the
20 recommendations made by the Committee, that they did not
21 reply to those comments.

22 So we'd like to ask the Commissioners to read the
23 comments that we made to the Committee as well as the
24 comments that we're making today to you as the
25 Commissioners.

1 I want to point out three key points for the
2 Commissioners' consideration in making your decision. The
3 first is that the area in which the Fourmile Hill and the
4 Telephone Flat project are located are either within a
5 national registered traditional cultural district of great
6 importance to Native American tribes in the area or the
7 project as indicated at the Fourmile Hill project is in an
8 area that was determined by the keeper of the National
9 Register to need additional study to be considered for
10 inclusion.

11 So the information for the Fourmile Hill project
12 is not complete and the additional study needs to be done
13 to see if that area is eligible for inclusion in the
14 National Register as a traditional cultural property.

15 The second point I would like to make is that the
16 Fourmile Hill project is being held up due to causes well
17 within Calpine's grant, since Calpine knew all along that
18 Native American's spiritual and cultural values and uses
19 have been a major land use for over 10,000 years.

20 Native American issues have been down played by
21 Calpine. And we believe that they were misrepresented to
22 the Commission from the beginning. And therefore, Calpine
23 could have prevented the situation more realistically to
24 the Commissioners at the time the award was made.

25 And thereby, the Commissioners would have seen

1 that it was unrealistic to expect the project to come on
2 line by January 2002.

3 The Native Coalition, the Pit River Tribe, the
4 elders of the other tribes have all along been saying that
5 they do not want developments in the Lake Highlands. And
6 this was not taken seriously, and the Committee's
7 comments, the Committee's recommendation just continued
8 that trend, that misperception by calling the problem a
9 perceived problem rather than a real problem. And we
10 guarantee to the Commissioners that this is a real
11 problem.

12 The third point I wanted to make is that the
13 Telephone Flat project is actually in a very different
14 category than the Fourmile Hill project. The Committee's
15 recommendation stated both projects are being held up by
16 appeals and legal challenges.

17 This is not true for the Telephone Flat project.
18 The Telephone Flat project was denied by the lead
19 agencies, the Forest Service and BLM in a final agency
20 decision. The project was denied. The Record Of Decision
21 says no project, no action.

22 And so therefore the agencies on which the
23 Commission relies for environmental review and for
24 permission to use the land, these agencies have said no,
25 this project may not proceed. And the reasons given are

1 because the project is in a major cultural area and also
2 an area of very significant recreational importance.

3 So the Telephone Flat project we really don't see
4 how a consideration of these subsidies can even be
5 justified for this project, because it is a terminated
6 project. Right now, as it stands, the agencies have said
7 no, and that Cal Energy did not challenge this. And so
8 the project is a terminated project.

9 I also want to point out in closing remarks that
10 neither of these projects will significantly benefit
11 California, because the contract has been purchased, the
12 power contract, has been purchased by Bonneville or has
13 been promised to be purchased by Bonneville Power
14 Administration, which serves northwestern states and also
15 very minimally serves California.

16 And so these projects are not appropriate to be
17 subsidized by California rate payer subsidies, because
18 they will not benefit California.

19 And finally, I'd like to say that since
20 California's gain from either of these projects would be
21 minimal at best, and since the Commission's guidelines
22 state that the project should be beneficial to the human
23 and natural environment, the agency decision has
24 determined with the Telephone Flat project that it would
25 not be beneficial, the human and natural environment, the

1 Fourmile Hill project is being held up and is under a
2 stay, because the Interior Board of Land Appeals has
3 determined that there are Merits to this appeal.

4 We just want to seriously let the Commission know
5 that these projects are not beneficial. They're not
6 beneficial to the human environment, certainly not to the
7 Native American human environment. And Native Americans
8 do qualify as humans, it has been determined.

9 And it would not benefit the natural environment,
10 because we have seen that these projects are not clean
11 projects, not in the pristine areas such as the Lake
12 Highlands. The emissions, the water impacts, the impacts
13 on plants and animals are not benign and there would be
14 serious impacts to the value that Native Americans
15 consider important in that area.

16 And particularly, the value of silence and beauty
17 and unobstructed views and all of these, really go
18 against -- the determinations really go against the
19 Commission's guidelines of a project that is beneficial to
20 the human and natural environment. And this should be a
21 consideration of the Commissioners since it's in your
22 guidelines.

23 So we ask you to please seriously consider these
24 concerns of the Native American community of the area.
25 And thank you. And if you have any questions, I'd be glad

1 to answer any questions.

2 CHAIRPERSON KEESE: Thank you, Ms. Berdishevsky.

3 We'll see if we have any questions.

4 As Commissioner Moore pointed out in his opening
5 statement on this issue, the finding by the Commission was
6 not that the issues you have raised are irrelevant. They
7 are extremely relevant in the forums which you have
8 detailed that are dealing with those issues.

9 They would impact the Energy Commission were we
10 siting this proposed project. But in the forum in which
11 we're dealing where it is funding of a project that others
12 who would face your issues would decide that despite the
13 issues you've raised, the project should go forward and be
14 approved.

15 To that extent, they enter their relevance of
16 that forum, but not relevant in ours. It's not a
17 determination on our part that these issues are
18 irrelevant.

19 Commissioner Moore, did you wish to add anything?

20 COMMISSIONER MOORE: Well, are there other people
21 who would like to speak?

22 CHAIRPERSON KEESE: We have Peggy Risch.

23 COMMISSIONER MOORE: Let me just hold my remarks.

24 CHAIRPERSON KEESE: Thank you, Ms. Berdishevsky.

25 Ms. Risch.

1 MS. RISCH: My name is Peggy Risch and I
2 represent the Mount Shasta Bioregional Ecology Center.
3 And I, too, appreciate the efforts that have been made by
4 the California Energy Commission to allow this
5 participation via telephone conference.

6 What I'd like to first do is clarify that there
7 is controversy and there is dispute for both of these
8 projects in why they failed to meet their on-line dates.

9 So I just want to make sure that that is not
10 accepted by all parties commenting that these projects
11 were delayed because of circumstances beyond their
12 control.

13 Now, both projects, both of them, the Committee
14 acknowledged that there was evidence that those projects
15 had unrealistic schedules. Now, that comment by the
16 Committee found on page 11 and page eight of their
17 recommendations, now this is a really crucial point,
18 because as Mr. Masri pointed out, in order for those
19 projects to be considered for those awards, they had to
20 State that they would be on line by December 31st, 2001 in
21 order to apply for that award. And they had to outline in
22 their milestones how they would achieve that goal.

23 So there is evidence that shows both projects do
24 have unrealistic schedules, and therefore there is
25 evidence that demonstrates that there were circumstances

1 that were well within the control of both developers in
2 outlying their schedules and determining whether they were
3 going to meet those milestones or not.

4 This is a very important point. There is
5 controversy. There is dispute on whether they meet the
6 criteria for actually being considered to extend those
7 conditional awards or not.

8 Now, when it comes to the Fourmile Hill project,
9 I'll break this down into the different projects, the
10 Committee also acknowledged that there was evidence, some
11 evidence, that the developer did have control over delays
12 in the project in terms of hesitating to utilize last
13 year, the year 2001, for their exploration projects.

14 Now, the Committee makes that determination, yes
15 there is some evidence there that shows that they did have
16 within their reach circumstances that were well within
17 their control that they participated in delaying that
18 project, so this exists.

19 When it comes to the Telephone Flat project, we
20 again have, as I said before, the Committee acknowledging
21 the unrealistic schedule. Also, there is sufficient
22 substantial evidence that shows clearly at a certain point
23 in the process that Cal Energy, when they held the leases
24 to that project, that they made a clear decision not to
25 pursue the project because of a final agency

1 determination, the ones you have to rely on, the Forest
2 Service and the BLM, their final determination in denying
3 the project.

4 Now, this is substantiated in documents that were
5 made on September 29th, where they basically say that
6 based on the final and effective action by both the BLM
7 and the Forest Service denying the Telephone Flat project,
8 Cal Energy has moved to dismiss its appeal to the IBLA of
9 the Telephone Flat Record Of Decision.

10 On October 2000, Cal Energy actually made their
11 motion to the IBLA to dismiss that project stating further
12 pursuit of the IBLA appeal is futile, and that we are
13 powerless to require change in the final U.S. Forest
14 Service decision.

15 And as recently as February 2001, Cal Energy
16 states, since the Forest Service appealed the decision,
17 Cal Energy has no remaining expectations that
18 authorization is necessary, that the Telephone Flat
19 project will be granted by the BLM or the Forest Service.

20 Clearly, these statements by Cal Energy, as early
21 as September 29th, 2000 demonstrates that they had no
22 intention of pursuing development of a project because of
23 that final agency determination. That means that a year
24 has passed, a year has passed where no action has been
25 made by Cal Energy in moving those projects forward, no

1 action other than filing a taking claim against the United
2 States Government.

3 Clearly, through those statements and those
4 actions on that Telephone Flat project, they do not meet
5 the criteria that there was circumstances beyond their
6 control. They made a clear choice with that Record Of
7 Decision not to pursue the project.

8 Now, granted, October 2001 comes around, Cal
9 Energy has sold their lease to Calpine. Calpine is very
10 interested in pursuing a Telephone Flat project. However,
11 the Committee must take into consideration that there were
12 circumstances that were well within the developer's
13 control on that project that did delay it. And therefore,
14 they don't meet the criteria that would allow the
15 Committee to extend those awards.

16 I would just like to remind the Committee that,
17 you know, we understand the importance of renewable energy
18 and we feel that basically both of these projects have not
19 met Milestone 3. Three years later after that conditional
20 award was accepted in 1999, three years, neither project
21 has accomplished Milestone 3.

22 I would ask that the Committee and the full
23 Commission consider substantial evidence that exists that
24 demonstrate that both of these projects, and clearly the
25 Telephone Flat project in particular, do not meet the

1 criteria for extending the award.

2 And that I would ask you to look at that
3 extension that has been granted, that 41-month extension
4 in determining whether, you know, that a most appropriate
5 use of monies. And if you have any questions, I would be
6 willing to take up those questions.

7 I know that the Committee is clearly
8 contemplating these issues that we have raised in our
9 comments on the recommendations, and that clearly the
10 Committee states that on page 14 of its recommendations
11 that basically developers who have no intention of
12 developing the project should basically not be considered
13 in tying up the funds. And clearly the Telephone Flat
14 project has no intention of pursuing that project once
15 they made that decision, once that decision was made by
16 the lead agency, and they filed those statements of
17 reasons, September 29th, 2000, October 2001 and February
18 21st 2001. Clearly, they had no intention to pursue that
19 project.

20 Thank you very much for your attention.

21 CHAIRPERSON KEESE: Thank you, Ms. Risch. You
22 raise questions that I'm sure -- we are the Commission who
23 is taking this up now. You raise issues that undoubtedly
24 were before the Committee. I will ask Commissioner Moore
25 to comment.

1 COMMISSIONER MOORE: Thank you, Mr. Chairman. Is
2 there anyone else who is intending to comment?

3 CHAIRPERSON KEESE: I don't believe so.

4 COMMISSIONER MOORE: All right.

5 CHAIRPERSON KEESE: I'm sorry, we did receive a
6 communication this morning, the Public Adviser did. Would
7 you like to hear that?

8 COMMISSIONER MOORE: Sure.

9 PUBLIC ADVISER MENDONCA: Very briefly. This
10 morning my office received a two-page filing from
11 Californians for Renewable Energy. The filing is titled
12 demand that the Energy Commission terminate discriminatory
13 practices.

14 And by way of summary, CARE's position is that
15 continuing to expend public funds and extending the
16 on-line deadline is discriminatory against low-income
17 native peoples and peoples of color.

18 My understanding is that he filed this or a
19 letter similar to this on December the 5th and it was
20 before the Committee. However, there is an additional
21 paragraph in this filing stating that he believes that he
22 has grounds to file, and perhaps would be filing, because
23 of the expenditure of Energy Commission funds, a Section
24 5726(a) Code of Civil Procedure taxpayer lawsuit.

25 Thank you.

1 The filer was Michael Boyd.

2 COMMISSIONER MOORE: Thank you.

3 Mr. Chairman, thank you. I think probably I'd
4 like to start with the response to some of the public
5 comments that we've had. And to say that I have now
6 almost 18 years in one form of elected or appointed office
7 or another, where I conduct or am responsible for the
8 conducting of public business, and I want to say for my
9 colleagues and for the public how seriously I take that
10 charge, and that the issue of people's rights, native
11 peoples' rights, my rights, the rights of the staff or
12 anyone else who has an interest in the land or an interest
13 in public policy are respected and, in fact, treasured by
14 anyone of us who hold this kind of an office. It's a
15 duty, but it's also a responsibility that I think we take
16 on very ably and without hesitation.

17 So I think I'm sensitive to the idea that we
18 might not have conducted an open public forum, and I want
19 to assure you that we did. I'd like to assure the public
20 that any deliberation of the Commissioner's acting in
21 committee is recorded, that every word that we say is done
22 in public and is made available to every other
23 commissioner.

24 So any opinions that were expressed are available
25 to every other commissioner. And hopefully the synthesis

1 of that is reflected in our committee recommendation.

2 And the fact that the Committee recommendation
3 doesn't always come down on the side of one party or
4 another, frankly is simply a reflection of the way the
5 process works. You don't pay us to make ambivalent or
6 contradictory decisions. You pay us to make a decision.

7 And, in fact, that is what is before you is the
8 recommendation for a decision. And there may be parties
9 who feel aggrieved at the end of it. I hope that as time
10 passes you see that we've done the best in the overall
11 public policy arena that we possibly could.

12 That goes to the issue of the BPA purchase. I'm
13 aware that one of the ways that this power gets out into
14 the grid is through the BPA lines. And frankly, given
15 what's happened the last two years and the relationship of
16 the California grid to waking up and finding out that we
17 are actually apart of a bigger region seems to me is very
18 important, a very salient point with all of this.

19 With hydro supplies at all time lows before and
20 the summer crisis that we faced, it was almost impossible
21 for BPA to get all the power they needed to be able to
22 back-stop us. A project like this would have made a
23 considerable difference. A project like this where they
24 can be developed safely, and of course that is a question
25 that is not, absolutely not, before you today, because, as

1 the Chairman points out, we're not siting this.

2 What we're doing is indicating that if this meets
3 all the tests to the other agencies, to the other
4 responsible agencies, that, in fact, it's the kind of
5 project that we would like to fund. Base load power is
6 something that California and the region are going to need
7 in the future, desperately need. And I think that a
8 project like this in the end is going to contribute more
9 than it detracts. And I do depend on those other agencies
10 to make sure that the environmental criteria are followed
11 and that damage is minimized or eliminated and all of us
12 depend on that, in fact, in our own decision making.

13 As far as expending public funds, we haven't
14 expended any public funds. And until such project is on
15 line and generating power, no funds would flow from this
16 agency to anyone else.

17 So if the man who sent that letter to me
18 originally and has now sent it back to the Public Adviser
19 wants to file that kind of lawsuit, you know what my
20 action is, draw when you're ready. If that's the kind of
21 attitude that flies in the public arena they want to have
22 toward the open public process that we run to try and make
23 sure that this process operates seamlessly and represents
24 the broadest public interest, well, then you know what,
25 draw when you're ready. And I predict an absolute loss on

1 that side. That's the most irresponsible kind of threat
2 to issue to a public official that I've heard in a long
3 time.

4 As far as our proceedings go, we have to take the
5 evidence that we hear and decide whether or not it's
6 credible. And in this case through the extensive hearing
7 process, I'll tell you that what we heard suggests that
8 the delays were beyond the control of the parties under
9 the guidelines in which we operate. And that, in fact,
10 the delays can be overcome, given the evidence that we
11 have.

12 So we have offered a timetable that gives us a
13 review process. And by the way, if you look at the
14 Committee recommendation, you'll see that we've suggested
15 that there is a guideline that is pretty strict and has to
16 be met or the process becomes suspended. And you will
17 automatically see the process enacted and see the
18 applicants, should they fail to get the approvals in that
19 amount of time in that suspension, back here before the
20 Commission explaining what happened, and either asking you
21 to continue it or asking you to eliminate the award. So
22 they are bound by that language.

23 Mr. Chairman, I'm going to offer you a motion in
24 just one minute. But before I do, I need to ask my
25 counsel a question. Mr. Herrera, can you help me with one

1 thing. And that is, it was my intention that if these two
2 projects continue under the same ownership, that is they
3 were both owned by the same company, which would then be
4 in control of the construction activities for both
5 projects, that we would find a way to minimize the impacts
6 on the local workforce, the impacts on the local economy
7 and the environment as well, as both the phone speakers
8 indicated.

9 And as a consequence, the dates that we had
10 suggested anticipated that we would have three sequential
11 construction periods in which to fully complete all of
12 this.

13 STAFF COUNSEL HERRERA: When these projects were
14 initially proposed, the were proposed by separate
15 entities. Calpine Corporation then bought out one of the
16 entities that is developing the Telephone Flat project.
17 So now it's one entity essentially that is developing both
18 projects. Whether it's appropriate for the Commission,
19 the Committee to consider the impacts on the local
20 economy, I think it is.

21 For example, if the Committee wants or the
22 Commission wants to entertain Calpine's request to extend
23 the term of the extension from June 2005 to December 31st
24 2005, as they suggested in their comments, then I think
25 that would be appropriate, based on the impacts to the

1 local government. Although, again, the Commission is not
2 bound to do so.

3 COMMISSIONER MOORE: I understand. Thank you.

4 Mr. Chairman, I'm going to amend -- in making a
5 motion, I'm going to amend the recommendation to you and
6 accept the amendment suggested by Calpine to go to
7 December 31st. And I'll simply say in accepting that or
8 recommending that, it was my intention to stay within the
9 two-year boundary, but do so in a calendar two years that
10 anticipated three full construction seasons, because
11 clearly, as was pointed out to us in the -- in fact,
12 that's one of the reasons why we couldn't get the public
13 to come in till the last hearing, because they literally
14 had so much snow that they couldn't get out.

15 So we're well aware of some of the construction
16 exigency. So with that, Mr. Chairman, I offer you the
17 Committee recommendation amended to extend the time from
18 June 1, 2005 to December 21, 2005, and point out to you
19 that if these milestones are not met, you Commissioners
20 will have this project back in front of you under other
21 circumstances in which you'll have to examine whether or
22 not any further changes would be appropriate.

23 CHAIRPERSON KEESE: Motion by Commissioner Moore.

24 COMMISSIONER PERNELL: Second, Mr. Chairman.

25 CHAIRPERSON KEESE: Second by Commissioner

1 Pernell.

2 Commissioner Pernell.

3 COMMISSIONER PERNELL: A clarification question
4 just for those who are either listening on the Internet or
5 not here. As it relates to the construction schedule and
6 the geographical area, we're talking about normally a
7 construction schedule would run approximately ten months,
8 nine or ten months, given the rainy season in the valley.

9 But we're talking about a different area which
10 has a much shorter construction schedule; is that correct?

11 MR. PIGOTT: That is correct. It's on top of a
12 mountain in northern California. In the winter time, it
13 can get 12 and sometimes 20 feet of snow.

14 COMMISSIONER PERNELL: Thank you for that
15 clarification. That's all I have, Mr. Chairman.

16 CHAIRPERSON KEESE: Thank you.

17 Do we have any other comments, Commissioners?

18 Do we have any other public comment?

19 Please identify yourself.

20 MS. RISCH: My name is Peggy Risch. I'm a member
21 of the Ecology Center. And basically, what I would --

22 CHAIRPERSON KEESE: Ms. Risch, you had your
23 comment.

24 MS. RISCH: I'm sorry. I thought that would
25 include me.

1 CHAIRPERSON KEESE: No, you don't get another
2 chance. One bite at the apple.
3 Thank you.
4 All in favor?
5 (Ayes.)
6 CHAIRPERSON KEESE: Opposed?
7 Adopted four to nothing.
8 Thank you, everybody.
9 Thank you those on the phone for your input.
10 MR. PIGOTT: Thank you.
11 MS. HAUG: Thank you, Commissioners.
12 CHAIRPERSON KEESE: Item 12, Local Jurisdiction
13 Loan Account. Possible approval of a loan for \$926,229 to
14 the City of Gardena for a comprehensive citywide traffic
15 and pedestrian signal retrofit incandescent light upgrade
16 across the Board, a broad program. It's estimated to save
17 the City about \$141,000 in electricity, and 151 kilowatts
18 peak load reduction.
19 Good morning.
20 MS. ROGERS: Good morning.
21 CHAIRPERSON KEESE: Briefly.
22 COMMISSIONER MOORE: You have to speak right into
23 the microphone too.
24 CHAIRPERSON KEESE: You've got to get real close
25 to it.

1 I think we're ready for this one pretty briefly.

2 COMMISSIONER PERNELL: Mr. Chairman, if I may,
3 excuse me. By way of introduction, this did come before
4 the Efficiency Committee. It passed out. It's a
5 continuation of our loan program, as we continue to help
6 the municipalities in the State.

7 COMMISSIONER MOORE: Second the motion.

8 (Laughter.)

9 CHAIRPERSON KEESE: Motion by Commissioner
10 Pernell, second by Commissioner Moore to approve this.

11 Any further comment?

12 Any public comment?

13 All in support?

14 (Ayes.)

15 CHAIRPERSON KEESE: Opposed?

16 Adopted four to nothing.

17 MS. ROGERS: Thank you.

18 CHAIRPERSON KEESE: That was brilliant work.
19 Item 13, San Diego University Foundation is withdrawn from
20 the agenda.

21 We will now go to Item 21, Energy Conservation
22 Assistance Act. Possible approval of loan to Cutten
23 Elementary School District, a 600-student district, for
24 \$48,000 for the installation of energy efficient lighting
25 at the two school sites in the district located outside

1 Eureka.

2 COMMISSIONER PERNELL: Mr. Chairman.

3 CHAIRPERSON KEESE: Commissioner Pernell.

4 COMMISSIONER PERNELL: This item is, again, a
5 continuation of our effort to help school districts. And
6 I would move the item.

7 CHAIRPERSON KEESE: Motion by Commissioner
8 Pernell.

9 COMMISSIONER ROSENFELD: Second.

10 CHAIRPERSON KEESE: Seconded by Commissioner
11 Rosenfeld.

12 Any public comment?

13 All in favor?

14 (Ayes.)

15 CHAIRPERSON KEESE: Opposed?

16 Adopted four to nothing.

17 Item 22, Grant Program Guidelines. Possible
18 approval of the Committee's proposed changes to the solar
19 energy distributed generation program guidelines, broadly.

20 We have a number of witnesses.

21 Please.

22 MS. MERRITT: I'm Linda Merritt with the program
23 staff, and these are Committee recommended changes to the
24 guidelines for the small grant program for Solar Energy
25 and Distributed Generation Systems.

1 The initial guidelines were adopted last April.
2 These are the first changes and may affect the eligibility
3 of certain components and certain systems.

4 We are proposing changes to the battery
5 components specifications. We're proposing some changes
6 to the installation requirements placed on contractors and
7 purchasers. We are proposing a cap on the amount of a
8 funding award for multi-unit residential systems.

9 And generally, we're making some corrections to
10 the forms, the instructions and some of the terms within
11 these guidelines. We ask for your approval. The
12 Committee is asking for your approval.

13 CHAIRPERSON KEESE: Approved by the Committee.

14 Thank you. Why don't you stay there. We'll see
15 if we have any questions.

16 Any comments up here, first?

17 COMMISSIONER MOORE: No. Only one very brief
18 one, Mr. Chairman. And that is to say that this program
19 may not get funded in the future given the budget cuts.
20 And so, in a sense, we may be seeing the good work that
21 has happened come to an end. But it was a struggle to get
22 it up and running in the first year. I think the
23 revisions are going to make it more target friendly, as it
24 were, to the outside world and hopefully we'll see a
25 change that comes about from this.

1 And Commissioner Rosenfeld and I have talked
2 about this as late as yesterday. And I believe that he is
3 on the right track to use this as a key way into
4 understanding what some of the other possible efficiency
5 measures are. And I give you just one of them, and that's
6 the idea of pool covers, where we start to think about the
7 issue of thermal heating for pools, which represents
8 tremendous cost savings in tandem with other efficiency
9 measures.

10 And it seems to me that this program, the
11 successful implementation of this program will lead us
12 into areas that were not anticipated before, and I believe
13 that under his leadership in the years to come you're
14 going to find out that this is simply the opening into a
15 much bigger target and, in fact, is going to tie in some
16 renewable technologies and some efficiency technologies
17 that will generate tremendous public benefits.

18 So I believe the real gains from this program are
19 simply not going to be apparent by the fact that we've
20 funded X number of systems or we've got Y number of
21 residential customers or we've now been able to expand out
22 into a set number of commercial facilities.

23 The real benefits are yet to come. And I ask you
24 to keep this in mind as Commissioner Rosenfeld starts to
25 reveal some of his other ideas in the years to come. This

1 is an exciting one, and other people in the public may
2 want to comment on that.

3 CHAIRPERSON KEESE: Yes. We have two comments.
4 Tom Treacy.

5 Mr. Treacy.

6 MR. TREACY: Good morning, Mr. Chairman and
7 Commissioners. My name is Tom Treacy. I'm one of the
8 principals of Celerity Power Services. We're located in
9 West Sacramento and we're engaged in the business of
10 engineering, selling and installing emergency power backup
11 systems, DC power systems.

12 And specifically, I'd like to just voice two
13 concerns of the proposed changes to the grant program
14 guidelines. Number one is you're dropping the ISO
15 requirement for the manufacturers. And number two, you're
16 lowering the cycling requirement of the batteries.

17 It's our belief as a representative of a battery
18 manufacturer that you set the bar high originally in
19 California, as you should have. And we'd like to see it
20 stay that way. We'd like to see the manufacturers come up
21 to the bat -- come up to the plate prepared to hit a ball
22 for California consumers.

23 And we think that if you lowered this bar, you
24 open the door, you dilute the process so that the consumer
25 may be purchasing batteries that are not designed for the

1 application.

2 I'd like to draw an analogy that if you drove
3 your car here today, you probably drove a traditional
4 vehicle with a battery under the hood and you gave it
5 little thought. That battery was designed for that
6 application and you put it in a place where there's high
7 humidity, high heat, a lot of dirt, it lasts five years
8 and you don't have any problems with it.

9 We'd like to see the same type of possibilities
10 for residences in California. What we feel is if you
11 lowered these barriers, lowered these bars, that you risk
12 giving consumers good products.

13 The second comment I'd like to make is that there
14 seems to be -- I'd like to see a clarification on the
15 guidelines as to the permitting and licensing of
16 contractors to install these systems. If they're going to
17 be grid-connected systems, I feel an electrical contractor
18 should be involved.

19 And I'd like to thank you for the opportunity to
20 make those comments. If you have any questions for me,
21 I'd be happy to answer them.

22 CHAIRPERSON KEESE: Thank you.

23 Mr. Rob Cary.

24 MR. CARY: Thank you, Chairman and Commissioners.
25 I want to commend you on entertaining this whole project

1 from the beginning. The idea of the encouraging solar PV
2 efforts is something that needs to be done and the State
3 of California has led the way. Other states are looking
4 towards this program, and other programs like this for
5 their programs. Nevada is looking at it and a number of
6 other states further east.

7 I'm speaking to you as a representative of C&D
8 Technologies, which is a manufacturer of batteries. And
9 we're encouraged by the fact that you included batteries
10 as part of the systems. There's a lot of potential
11 benefits for including batteries in PV grid tied systems
12 for potential grid -- or peak load shaving, as well as the
13 battery backup systems in both residential and commercial
14 operations.

15 But regarding the proposed changes, one of the
16 things that I think is critical to the success of the
17 program and the success of solar PV and all applications
18 is that the expectations of both the consumer and the body
19 such as yours to the performance of the systems once
20 installed actually meets those performance standards.

21 In other words, too many times what we have seen
22 in the solar industry is a situation where we have an
23 expectation. We sell an expectation to a consumer or
24 customer and then the customer is not given the product or
25 the system that matches that expectation.

1 In regards to that, one of the issues that always
2 comes up, especially when batteries are involved is the
3 selection of the proper battery to meet the proper use of
4 that system. And so regarding that and the proposed
5 changes, specifically there are some issues that I'm not
6 sure it's appropriate now to go over, but one of them --
7 or many of these don't really regard or have any relevance
8 to the actual performance of a system or the safety of the
9 system.

10 In particular, the one regarding Underwriters
11 Laboratories, there are no -- there's no specification of
12 which Underwriter or UL test is to be conducted on the
13 batteries and whether that's relevant to the performance
14 of these systems.

15 Regarding the cycling, you know, it seems to be
16 going backwards not forwards in terms of the number of
17 cycles.

18 Regarding the three-year full warranty, there's
19 no definition as to what that really means. In the
20 battery industry, in both the UPS world, the backup for
21 utility batteries, there is a specified end-of-life
22 capacity of the battery in that installation.

23 In other words, the battery is designed to
24 perform the requirement to a certain period of time. If
25 that requirement is not met, then the battery is failed

1 and considered, you know, a failure and it's eligible for
2 warranty if it's within that time period.

3 In all those cases, that's part of what's
4 involved in designing those systems. They design the
5 systems larger because batteries, you know, have
6 degradation over time. So they design them at 120 percent
7 or 125 percent larger so that when the battery's capacity
8 reaches 80 percent, they can still carry 100 percent of
9 the load that's required by that substation or UPS or
10 whatever. There's no specification regarding that in
11 these proposed changes.

12 So we would be encouraged if there was an
13 opportunity for us to be involved in reviewing these or
14 helping participate to make these specifications be more
15 relevant.

16 CHAIRPERSON KEESE: Thank you for your input
17 here. My reaction is this sounds like staff or committee
18 work that is beyond us dealing with as a Commission at
19 this time.

20 Commissioner Moore, would you --

21 COMMISSIONER MOORE: Mr. Chairman, I appreciate
22 the comments that have been made, and I think what they do
23 more than anything else is to amplify the fact that there
24 are -- I don't have any questions for you -- is to amplify
25 the fact that when the legislation was written, it had a

1 lot of flaws in it.

2 And one of the flaws was trying to get a proper
3 nexus between the ISO standards and what actually could be
4 done in the real world. I use the example of battery
5 cycling as a point to consider on that, and that is that
6 when we implement the first set of guidelines, it didn't
7 dawn on us that there wasn't going to be a vibrant enough
8 market to utilize out there, that we needed to expand out
9 and take more of the battery manufacturers into account.

10 So I'll simply say the Chairman is right, this is
11 the kind of arena that is best adjudicated by the
12 Committee in a series of workshops or public hearings.
13 Frankly, I believe that the Committee in the future will
14 take on this question in another consideration of
15 guideline updates probably late in 2000, as we have more
16 evidence of how it's proceeding.

17 But you can see the benefits of doing it this way
18 is that we're fine tuning and trying to make this more
19 responsive even as the money may, in fact, run out. But
20 assuming it doesn't, the law is still in effect for five
21 years. So you can expect that there will be comments like
22 the ones that were made here today and that the Committee
23 will work with those folks who do know what they're doing.

24 I mean, obviously it's their business to make
25 this work, and they'll be invited into a workshop to try

1 and fine tune this in the future.

2 Mr. Chairman, I move the adoption of the Grant
3 Program Guidelines changes.

4 CHAIRPERSON KEESE: Motion by Commissioner Moore.

5 COMMISSIONER ROSENFELD: Second.

6 CHAIRPERSON KEESE: Second by Commission
7 Rosenfeld.

8 Any further comments?

9 Any additional public comments?

10 All in favor?

11 (Ayes.)

12 CHAIRPERSON KEESE: Opposed?

13 Adopted four to nothing.

14 Thank you.

15 And thank you for your input. I urge you to
16 communicate with staff.

17 Item 23, Title 20, Appliance Regulations.
18 Commission consideration and possible approval of
19 amendments to the Appliance Regulations, which are found
20 in the California Code of Regulations Title 20, Division 2
21 Chapter 4.

22 MS. HALL: Good morning, Commissioners. I think
23 it's good morning. My name is Valerie Hall. I'm the
24 manager of the Residential Buildings and Appliances
25 Office. And I'd like to give you a brief summary of what

1 has been going on and what we are asking for.

2 During the first half of the year of 2001, we
3 conducted a rule-making to improve appliance efficiency
4 regulations. During that process, we received a very
5 large number of comments and concerns about those proposed
6 regulations.

7 As a result, we undertook an extensive
8 examination and rewrite of those regulations and
9 republished draft language as new 45-day language on
10 November 23, 2001.

11 In the notice of proposed action that went along
12 with that new 45-day language, we indicated that we would
13 be conducting a committee hearing on December 17 and an
14 adoption hearing possibly on January 9, today.

15 Let me go over briefly some pieces of
16 information. First of all, the 20 categories of
17 appliances covered in the original, and again in the
18 current rule-making are, I'll do these very quickly, are
19 refrigerators, refrigerator freezers, central
20 air-conditioners, spot air-conditioners, gas and oil space
21 heaters, water heaters, pool heaters, plumbing fittings,
22 plumbing fixtures, florescent lamp ballasts, lamps,
23 emergency lighting, traffic signals, luminaires,
24 dishwashers, clothes washers, clothes dryers, cooking
25 products and food service equipment, electric motors and

1 distribution transformers.

2 The draft regulations for the first rule-making
3 and for the current rule-making provide four types of
4 improvements. One to improve the efficiency levels of
5 certain appliances that are all already covered by the
6 regulations. Examples include central air-conditioners,
7 for which we'd have to achieve a waiver or an exemption
8 from federal preemption in order to enforce; water heaters
9 that are smaller than 20 gallons, and thus not covered by
10 the federal standards; furnaces that are three phased and
11 less than 225,000 BTU input.

12 So those are examples of appliances that are
13 already covered where we wanted to increase the
14 efficiency. Another thing that we were doing with these
15 standards are to -- as standards, efficiency standards,
16 for appliances that are not yet covered by the
17 regulations, examples include commercial refrigeration
18 equipment, commercial clothes washers, Torchiere lights,
19 traffic signals, and certain distribution transformers.

20 Thirdly, we were going to add reporting only
21 requirements for fuel appliances, not efficiency levels,
22 but just reporting of information, so that we would have
23 good information for the future.

24 Examples of that include patio heaters and food
25 service equipment.

1 The fourth and final category was to provide
2 clear directions in the marking and reporting of
3 information about standards in the enforcement sections of
4 the regulations. For examples, we are now much more
5 specific about the actual data that is required to be
6 recorded.

7 We had a very productive Committee hearing in
8 December and received comments on our 45-day language from
9 over 20 organizations. While the industry may disagree
10 with the Commission over the general philosophy of
11 standards and how cost effective any particular proposal
12 is, they've been very helpful in pointing out some
13 inconsistencies and other items that will make the
14 standards hold together better.

15 Based on these comments, the Committee and staff
16 are developing some modifications. Because today is the
17 last day to receive comments on the 45-day language and
18 the associated environmental documents, and because we
19 have not yet had a chance to go over in a thorough manner
20 with the Committee proposed modifications, we're not in a
21 position to specifically indicate what those modifications
22 would or would not be today.

23 But we are requesting that we go forward with
24 15-day language and not adopt the regulations today, but
25 go forward with 15-day language that would address the

1 comments that the over 20 active participants have
2 provided to us and issue that 15-day language no later
3 than January 22nd, and ask that the full Commission
4 consider adoption of the final package on February 6th at
5 the business meeting.

6 COMMISSIONER MOORE: Mr. Chairman, I have a
7 question for Val. Have you had a conversation with OAL
8 then about the regulations? Do they know the status of
9 what you're proposing as far as the 15-day language?

10 MS. HALL: They do not yet know that we would be
11 asking for 15-day language, but that is not -- it should
12 not be an issue. This is a normal process in asking for
13 15-day language at the point at which you would be
14 concluding the 45-day is typical.

15 COMMISSIONER MOORE: Did we do that last time?
16 Did we ask for 15-day language at the --

17 MS. HALL: Last year, when we were going through
18 this process?

19 COMMISSIONER MOORE: Right.

20 MS. HALL: We didn't complete that process. The
21 number of edits were so substantial that rather than doing
22 15-day language at that time we reestablished and went
23 with new 45-day language. And OAL is aware of that.

24 CHAIRPERSON KEESE: Thank you. So for the people
25 I'm going to call, you've heard the suggestion that we're

1 going to take brief comments today, that the language has
2 been received by staff and they will be coming out with
3 15-day language. With that, I'll ask Mr. Jacoby.

4 MR. JACOBY: Thank you, Mr. Chairman and members
5 of the Commission. My name is Bill Jacoby, San Diego
6 County Water Authority. I'm the Water Resources Manager
7 for the Water Authority.

8 You heard from staff that that was not going to
9 be acted on today, but I decided to come anyway, because
10 I've got a good message for you about one particular part
11 of the regulations, and that's commercial clothes washers
12 from a 9.5 water factor that's included in the proposed
13 regulations.

14 So I really want to support that 9.5 water
15 factor. It's important on a couple of levels. First,
16 that 9.5 works. In San Diego, we've teamed up with San
17 Diego Gas and Electric to offer a \$300 per machine
18 incentive for folks to buy these machines.

19 We've penetrated 13 percent of the market last
20 year with our program. So it does work.

21 Secondly, the Legislature and the Governor, I
22 think, have given you a signal that they want a 9.5 water
23 factor standard. I'm sure you're aware of AB 952 by
24 Assemblyman Kelly which was sponsored by my organization,
25 the Water Authority.

1 That includes a 9.5 water factor standard to
2 qualify for an income tax break here in the State of
3 California. So that's a clear signal from them that
4 that's the way you should go.

5 There are winners locally for California
6 citizens. First of all, for San Diego, it means less
7 imported water and energy we have to bring into San Diego
8 County. And that imported water and energy is expensive.

9 Second, it's a reduction in energy, water and
10 sewer bills for the participants in the program.

11 And finally, one of the local vendors -- one of
12 the biggest vendors in San Diego reports that 50 percent
13 of the machines he sold last year met the 9.5 water
14 factor. In fact, in one month alone he sold 200 of the
15 machines.

16 So it really caught on in San Diego. I think
17 that same pattern can happen throughout the State of
18 California. So I know today you're not going to act, but
19 I really would urge you to include that 9.5 water factor.

20 Thank you.

21 CHAIRPERSON KEESE: Thank you.

22 COMMISSIONER PERNELL: Thank you for deciding to
23 attend this meeting.

24 CHAIRPERSON KEESE: Maryann Dickinson.

25 MS. DICKINSON: Hello, Mr. Chairman and members

1 of the Committee. I understand from the E-mail notice
2 that was sent around that you were going to be deferring
3 your final decision till February 6th.

4 But since I could not be here that day, I thought
5 I would come today and urge your support and adoption of
6 the appliance regulations.

7 I, too, am here in support of the commercial
8 clothes washer standard. I represent the California Urban
9 Water Conservation Council, which is an organization of
10 284 water districts and agencies and environmental
11 organizations throughout the State of California who are
12 very much in support of the 9.5 water factor standard for
13 commercial clothes washers, and indeed, would have liked
14 to have seen the federal government adopt it for
15 residential washers as well.

16 But since they didn't do it, we'd like to see
17 California be the first State to do it for the commercial
18 sector, which is not regulated by the federal government.

19 So we applaud your initiative in this regard. It
20 means a substantial amount of water savings and energy
21 savings for the residents of this State. And, again, we
22 urge your adoption.

23 Thank you.

24 CHAIRPERSON KEESE: Thank you.

25 Mr. Lucas.

1 MR. LUCAS: Thank you very much. Bob Lucas
2 representing Carrier Corporation. And Carrier Corporation
3 is, of course, heavily involved in the initial stages of
4 this rule making.

5 We recognize that there has been a rather
6 substantial hiatus of six to nine months to get to the
7 point of where we are today. And unfortunately, Carrier
8 was unable to participate in the December Committee
9 meeting, so I would like to make a couple of observations
10 relative to -- that I think will fit very nicely into the
11 staff schedule.

12 The first has to do with commercial refrigeration
13 products. These are the reach-in refrigeration units,
14 reach-in cabinets, if you would. These standards are
15 going to be the first of their kind, affecting this type
16 of appliance in the U.S. marketplace, and they will
17 require extensive reengineering in order for compliance of
18 or the major manufacturers. The major manufacturers,
19 which include Carrier Corporation, will have to redesign
20 their product line.

21 The dates that are currently proposed in the
22 standards for the Tier 1 to be met in 2003 provides
23 approximately 12 months from the date of adoption of this
24 rule making to meet that application of standards.

25 And then the manufacturers then have to turn

1 around and then do another redesign to meet the Tier 2
2 standards in 2004.

3 Considering the date of the final adoption of
4 this rule making, we'd like to suggest, at this point,
5 that the Commission consider dropping the Tier 1 standard
6 and instead allow the manufacturers until the 2004 Tier 2
7 time frame to redesign their product lines a single time
8 rather than twice in order to meet the standard proposed
9 by the Commission. We'll discuss this with staff for
10 inclusion in the 15-day language, if that's all right.

11 The second item has to deal with packaged
12 products. One of the items that had been added to this
13 rule making was the addition of an EER equivalency
14 standard to the SEER standard for split system products in
15 air-conditioning and heat pumps, HSPF also was added.

16 We had mentioned, at the time that this was being
17 considered, that the EER and SEER do not track exactly.
18 And at the time, the consideration was given to that
19 concern with regard to the split system, and a two tier
20 proposal was adopted at 11.3 moving to an 11.6 EER as
21 attached to a 13 SEER split system.

22 Those numbers unfortunately do not work with
23 regard to package terminal equipment. These are the small
24 package units that you often see on roof tops that are
25 air-conditioners or that are heat pumps, and some of the

1 concerns that we generally raised at the time but weren't
2 sure of then are coming to the forward.

3 The 11.6 EER as attached to a 13 SEER for this
4 package terminal equipment exceeds any product that's
5 currently manufactured today, at least with regard to the
6 heat pumps. I believe that there are five units out of
7 200 possible units that would meet this on the
8 air-conditioning package terminal equipment. I think
9 Traine is the manufacturer of this.

10 My understanding is that this equipment measures
11 approximately 80 inches in length and might be difficult
12 for roof installations, which is really the concern for
13 the package terminal equipment.

14 So with consideration that the federal system
15 differentiates between package terminal equipment and
16 split systems for the application of EER, I think it's
17 appropriate that these standards before they were adopted
18 also recognized the differentiation between these two
19 systems so that the package terminal equipment can be
20 designed with a larger coil area, but still be designed in
21 a way they could be used on roof applications as they are
22 today.

23 Third, the TXV language which Carrier had worked
24 on extensively with the staff, originally is still at
25 issue. I'm not going to make a major deal over this,

1 other than to say that Carrier still perceives this as
2 being a mandate to install TXVs. Carrier does have a
3 performance concern over TXVs in general.

4 We would still, if the opportunity exist, like to
5 try again to come up with equivalency language to do
6 something else if that is possible.

7 Then finally my fourth point has to do with the
8 refrigerant data point that is suggested for these
9 standards. We'd like to support that data point and point
10 out that the federal Energy Star program currently
11 collects information on refrigerant type. We think that
12 this is entirely appropriate in view of the transitional
13 time frames that we arranged with the application of the
14 Montreal protocols and the change over to
15 nonchlorine-containing refrigerants. The Energy
16 Commission and the people of the State of California
17 deserve to know whether not these equipments -- or what
18 type of refrigerants these equipment have.

19 So with those comments, I leave it you. We'll
20 work with the staff on the 15-day language.

21 Thank you.

22 CHAIRPERSON KEESE: Yes. And I'm sure you've got
23 your written comments in by today or are you going to get
24 it in?

25 MR. CARY: I'd like this to serve as that

1 comment.

2 CHAIRPERSON KEESE: That's why -- it sounded like
3 it was detailed enough that you'd probably have to put it
4 in writing, so you can talk with staff.

5 MR. CARY: Up until this date, I believe that
6 Carrier had to work within the trade organizations. These
7 issues may or may not have been raised in this context by
8 them until today, so I'd like it to.

9 CHAIRPERSON KEESE: All right. Thank you.

10 I have one more, Hellan Dowden is not here, I'm
11 sure, who I haven't seen for years.

12 I'm going to read this into the record. She
13 would like to consider -- she did indicate that she had a
14 conflicting meeting and she was going to have to leave and
15 may not be here.

16 She would like you to consider standards for
17 plumbing devices that submeter hot and cold water usage in
18 multifamily housing. Devices measure and allow the user
19 to track usage on their computer.

20 I don't know if you've dealt with her before at
21 Wellspring International. She leaves this comment. You
22 might want to be in touch.

23 Thank you.

24 Commissioner Pernell.

25 COMMISSIONER PERNELL: Thank you, Mr. Chairman.

1 First of all, I'd like to thank all of the participants
2 that commented today. We really appreciate that, also
3 those that commented in the December Committee meeting,
4 both orally and in writing. Those comments will be
5 carefully considered all of them, and I want to
6 particularly thank the water agencies for their
7 information that they've given us on these standards.

8 I want to note, though, for the record, that this
9 hearing is the close of the 45-day language, and Ms. Hall
10 alluded to that. And then, finally, I'd like to commend
11 Ms. Hall and her team for the standards, for the appliance
12 standards that the work that they've done and the work
13 that they've continued to do on those standards, and I say
14 that with all sincerity.

15 And, Mr. Chairman, if my colleagues on the
16 Committee have no comments, I am prepared to make a
17 motion.

18 CHAIRPERSON KEESE: The time is right.

19 COMMISSIONER PERNELL: Mr. Chairman, I would
20 move -- this is a two-part motion, and I want to make sure
21 I get this right. I would move that we not adopt the
22 45-day language, and that we direct the Efficiency
23 Committee to publish 15-day language as soon as possible
24 with the intention of having a final adoption on February
25 6th, 2002 business meeting.

1 COMMISSIONER ROSENFELD: Second.

2 CHAIRPERSON KEESE: Motion by Commissioner

3 Pernell, seconded by Commissioner Rosenfeld.

4 Further comments?

5 All in favor?

6 (Ayes.)

7 CHAIRPERSON KEESE: Opposed?

8 Adopted four to nothing.

9 COMMISSIONER MOORE: Do you have another motion?

10 COMMISSIONER PERNELL: That's it, all in one.

11 CHAIRPERSON KEESE: All right. Thank you.

12 Thank you for another yeoman's effort in that. I
13 thank the staff.

14 We will then go to Item 14, minutes, we have
15 none.

16 Energy Commission Committee and Oversight.

17 COMMISSIONER PERNELL: Mr. Chairman, I do have as
18 part of my oversight committee, I have OGA will give us a
19 brief report on some of the upcoming legislation that
20 he'll be tracking. I might just state for the record also
21 that OGA will be giving a monthly report to the Commission
22 at the Commission meeting, if appropriate. And it might
23 be every week depending upon the legislation.

24 MR. SCHMELZER: If you need it that often.

25 Good afternoon, Mr. Chairman and Commissioners.

1 And like Commissioner Pernell stated this is the first of
2 what we hope will be useful updates on what's going on
3 across the street from our perspective.

4 As you're aware, the second half of this two-year
5 legislative cycle just began on January 7th, so just a
6 couple days ago. And I just wanted to make you aware of
7 what some of the priorities that we're working on right
8 now are, as well as some of the issues that we expect to
9 be dealing with this year.

10 First off, the top priority that we're going to
11 be working on was a left over issue from last year, which
12 is the adoption by the Legislature of the Energy
13 Commission's Renewable Energy Program and Pier Program
14 investment plans. We're working with Senator Sher's
15 office and our expectation right now is that that issue
16 will be severed from the renewable portfolio standard
17 issue and an urgency clause will be adopted. Some changes
18 will be made, but relatively minor to the investment plans
19 and that will be moved expeditiously.

20 We've informed the members we've been working
21 with on this issue that we foresee needing adoption of
22 that package by March 1st in order to avoid program
23 disruption. So we'll move as best we can to meet that
24 target.

25 Another major initiative sponsored by the Energy

1 Commission that was a package actually adopted last year,
2 but we didn't succeed in getting it into legislation, but
3 will this year, is the Energy Commission's proposal to
4 consolidate our reporting responsibilities, and to make
5 changes to our data collection statutes.

6 Senator Bowen will be introducing this package as
7 new legislation this year. We've had the first of what
8 will probably be several meetings leading up to the
9 adoption to clarify some of the language there, but we're
10 receiving a lot of support there and look forward to
11 moving that package through the Legislature this year.

12 This is essentially a modernization of Chapter 4
13 of the Warren Alquist Act regarding forecasting and
14 reporting energy policy issues by the Commission. It's
15 very central to our role in the whole world of energy.

16 Other upcoming items, the Assembly Utilities and
17 Commerce Committee has announced two informational
18 hearings that it's going to be having this month. The
19 first is on the 14th, Chairman Keese is planning on
20 presenting the Energy Commission's supply adequacy
21 forecast for the upcoming year.

22 The Utilities and Commerce Committee will be
23 having the Commission make that presentation and invite
24 other representatives from the energy industry, I think,
25 to make recommendations to that Committee as to what the

1 Legislature should be focusing on for the next year.

2 They will be following up that hearing with
3 another on the 22nd. That is a little further outward
4 looking. They're going to be looking at a five-year time
5 period, again asking the Commission to provide a report on
6 how we see the supply adequacy forecast for that period of
7 time. Right now, I think Mr. Larson will be making that
8 presentation.

9 And just very briefly some of the issues that I
10 think we'll be dealing with this year, although, the
11 investment plan package is anticipated to be severed from
12 the renewable portfolio standard legislation, Senator
13 Sher's office has indicated they still intend to pursue a
14 renewable portfolio standard, and we'll be working closely
15 on that package, I'm sure.

16 Senator Bowen has legislation on State building
17 efficiency. It's a package that we've been working on for
18 years. There's been a lot of work with other agencies to
19 try to get us all together on this. I'm hopeful that
20 we'll reach a conclusion finally this year on that issue.

21 And also I wanted to point out that this year I
22 anticipate we'll be focusing a lot more on federal energy
23 policy and anticipate being active in that arena
24 especially now that we have our new federal liaison on
25 contracts.

1 So that's that, and I look forward to more of
2 these updates.

3 CHAIRPERSON KEESE: Thank you. And you don't
4 know how long we've been on working that. We started
5 almost five years ago. It's coming on five years we've
6 been working on those standards for government buildings.

7 MR. SCHMELZER: Yeah, I think exactly as long as
8 I've been working here.

9 CHAIRPERSON KEESE: Thank you.

10 COMMISSIONER PERNELL: That's all I have, Mr.
11 Chairman.

12 CHAIRPERSON KEESE: Thank you.

13 Any questions?

14 Discussion of Committee structure was placed here
15 as a placeholder in case we had to discuss it,
16 Commissioner Moore.

17 Chief Counsel's report.

18 CHIEF COUNSEL CHAMBERLAIN: Yes, Mr. Chairman. I
19 hope that all of you have had the opportunity to CC the
20 filing that we made to the California Supreme Court in the
21 Metcalf matter. I did either provide that to your
22 advisors or at least offer it.

23 In addition, I'll take this opportunity to
24 embarrass Mr. Bles. There were kind words said about the
25 staff's work on the appliance efficiency standards. Mr.

1 Blees has done a tremendous amount of work in this area.
2 And I recall -- I was just recalling that I was present on
3 November 3rd, 1976 when this Commission adopted the first
4 set of appliance efficiency standards in this nation.

5 And since then, the matter has -- the legal
6 issues relating to appliance efficiency standards have
7 become considerably more difficult because of the
8 interaction between federal law that was adopted in the
9 1980's and establishing the federal governments' role in
10 this area with respect to certain standards and the
11 State's continuing authority.

12 And Mr. Blees has really helped maintain
13 California's position in this area.

14 CHAIRPERSON KEESE: Thank you.

15 Executive Director's report.

16 EXECUTIVE DIRECTOR LARSON: None at this time.

17 CHAIRPERSON KEESE: Public Adviser's report.

18 PUBLIC ADVISER MENDONCA: Mr. Chairman, none at
19 this time.

20 CHAIRPERSON KEESE: Any remaining members of the
21 public who want a general comment?

22 Hearing none --

23 COMMISSIONER MOORE: Mr. Chairman.

24 CHAIRPERSON KEESE: Commissioner Moore.

25 COMMISSIONER MOORE: Mr. Chairman, thank you. I

1 appreciate you indulging me at the end of the meeting.

2 CHAIRPERSON KEESE: The Commissioner on my right
3 would like to know how many minutes you're going to take,
4 because he's got a 12:15.

5 COMMISSIONER MOORE: About a minute and a half.
6 Because of circumstances that are well known to all of
7 you, this could be my last meeting. I don't know. I'll
8 continue to serve under the good graces of the Governor
9 for as long as he has me under the limits that are
10 prescribed by the law.

11 But it could be that because of the nature of the
12 hearings that are already scheduled in Morrow Bay, one of
13 us is going to have to be here to run the other meetings.
14 And so I'm planning to conduct those at the end of the
15 month, that they'll take place during the regular business
16 meeting time.

17 So it is possible that this will be my last
18 meeting. I just want to say a couple of words and hope to
19 not embarrass myself if it isn't my last meeting. I would
20 have to come back and say something different.

21 But I just want to say that if I don't get a
22 chance to appear here accept at the dais, and there are so
23 many restrictions on my ability. I have to enter the
24 building with an armed security guard. I have to have a
25 hall pass signed by the Chief Counsel, and I have to have

1 a witness who follows me around, if I'm back. It's tough
2 coming back as a former Commissioner.

3 I simply want to say this, that in six and a half
4 years of being here, that the value of the joy of being a
5 part of this and the hard work and, boy, the
6 disappointments along the way, have been the people. And
7 so this is simply a tribute from me to the people that I
8 work with throughout this building and to you. I think
9 we've all -- we've certainly had our ups and downs, but
10 the fact is that we work together and that we've become
11 more of a team and a stronger more committed group of
12 Commissioners than I think we have had in the history of
13 this organization, and I hope that continues to happen.

14 So I simply wanted to be able to offer a salute
15 from one person about to depart to the real strength of
16 having been here, and that's the people.

17 Thank you.

18 CHAIRPERSON KEESE: Thank you, Commissioner Moore
19 on behalf of all the Commissioners.

20 This meeting is adjourned.

21 (Thereupon the California Energy Commission
22 meeting adjourned at 12:20 p.m.)

23

24

25

1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
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8 Shorthand Reporter of the State of California, and
9 thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said meeting nor in any
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 19th day of January, 2001.

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